



**Capital Asset Realignment for
Enhanced Services (CARES)**

Stage I Summary Report
Site: West Los Angeles

August 2005

This report was produced under the scope of work and related terms and conditions set forth in Contract Number V776P-0515. Our work was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). Our work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation service in accordance with standards established by the AICPA. Accordingly, Team PwC does not express an opinion or any other form of assurance on the financial statements of the Department of Veterans Affairs or any financial or other information or on internal controls of the Department of Veterans Affairs.

The VA has also contracted with other government contractor, MicroTech, LLC, to develop re-use options for inclusion in this study. MicroTech, LLC issued its report, Real Property Baseline (West LA Phase I Re-use) Report, and as directed by the VA, PricewaterhouseCoopers LLP has included information from their report in the following sections in this report: Real Estate Market and Demographic Overview, Re-Use Options and Development and specific Re-Use options. PricewaterhouseCoopers LLP was not engaged to review and therefore makes no representation regarding the sufficiency of nor takes any responsibility for any of the information reported within this study by MicroTech, LLC.

This report was written solely for the purpose set forth in Contract Number V776P-0515 and therefore should not be relied upon by any unintended party who may eventually receive this report.

OVERVIEW AND CURRENT STATE

Statement of Work

Team PwC is assisting the VA in identifying the optimal approach to provide current and projected veterans with health care equal to or better than is currently provided in terms of access, quality, and cost effectiveness, while maximizing any potential re-use of all or portions of the current real property inventory at the study sites. This work relies on two principal teams to undertake capital planning and re-use planning.

The CARES Statement of Work specifically notes the following for the West LA site:

The purpose of the comprehensive Capital and Re-Use Plan is to redesign the West LA campus to maximize the re-use potential of part of the campus, and ensure modern healthcare facilities.

Because of a commitment made by a previous Secretary of Veterans Affairs, certain reuses of the property for commercial purposes were not considered in this study. In this context, the term ‘commercial’ is defined as retail operations providing products and services exclusively for sale to the general public. With this definition, uses such as shopping malls, movie theaters, convenience stores, fast food outlets, industrial/manufacturing activities and other like operations would be prohibited. On the other hand, institutional and office uses that support or complement needs of veterans such as assisted living, transitional housing and recreational research or educational as well as medical and non-medical functions would be acceptable uses.

Moreover, as part of the routine State Veterans Home Construction Grant Program process, VA officials agreed that a 12-acre site on the campus of the West Los Angeles VAMC was available for California to construct a State Veterans Home (SVH). As a result, in good faith, California obligated \$14M and has already spent \$4M in design work for the site. If the site were changed, the design and environmental assessment will have to be redone, requiring additional public spending. In addition, delays caused by site changes will result in the delay of other proposed California SVHs. Subsequently, the VA approved an exception to its overall reuse directive to address the State of California’s reliance on the site previously identified for construction of the SVH.

The “Cranston Act” (section 421 of Public Law 100-322) established preserve areas totaling about 109 acres (roughly 29 percent of the total West LA VAMC site area). The Cranston Act prohibits the sale and limits the future use of these parcels. The Cranston Act parcels are located on both the southern or Wadsworth and northern or Brentwood campuses. Three of the parcels are located in the north portion of the Wadsworth campus and encompass Barrington Park, the Barrington Village parking lot, the Brentwood School’s 20-acre athletic field, the golf course, and the ridge and berm area adjacent to Brentwood Glen. The primary use of the West LA campus is the 800-bed VA hospital complex and its immediate outpatient treatment facilities, including the MRI, radiation therapy facilities, the central plant adjacent to the bed tower, and parking.

The VA has contracted with another vendor to develop the Re-Use Plan. As a part of the site options presented, the most likely potential re-use for available property identified in the capital planning process is to be included. The contractors will coordinate their work and exchange information on the capital planning process and stakeholder communications.

Summary of Market

West LA is part of VISN 22, in the community of West Los Angeles, California approximately 14 miles west of downtown Los Angeles. The West LA site is among the largest healthcare campuses in the Department of Veterans Affairs system. The center is part of the DVA Greater Los Angeles Healthcare System, which consists of the West Los Angeles Healthcare Center, the Los Angeles Clinic, and the Sepulveda Medical Center among a number of CBOCs.

The land on which the center is located is part of a parcel that was deeded in 1888 for the purpose of housing the Pacific Branch of the National Home for Disabled Volunteer Soldiers. Portions of the original parcel have been used to accommodate the Los Angeles National Cemetery, the West Los Angeles Federal Building and Post Office, and facilities of the Department of Defense. The site currently occupies 387 acres of land, with 91 structures on the campus totaling 2,807,039 building gross square feet. The buildings range from 2 years to 105 years in age. The largest of the buildings is the hospital (Building 500) built in 1976 which has seven stories and 900,000 square feet. Surface parking is available throughout the site interspersed among the buildings.

The campus is bisected by Wilshire Boulevard. The campus north of Wilshire is referred to as the Brentwood campus, and this portion of the site contains many buildings which were used to provide domiciliary care to veterans. South of Wilshire is referred to as the Wadsworth campus. The volume of traffic on Wilshire Boulevard east of the center and on the Interstate 405 freeway is among the highest in the City of Los Angeles.

The topography is relatively flat in some areas and very steep in other limited areas. The site has an intersection with a moderate grade where Bonsall Avenue, its major north-south internal roadway, crosses under Wilshire Boulevard. The property has a flood control basin near its northernmost point to handle natural hillside runoff.

Buildings have received ratings in the full range of '1' to '5' based on the VA *Capital Asset Index*. Most of the Acute and Ambulatory buildings are in the '3' to '4' range. Most of the Behavioral Health, Research, Domiciliary, Administration, Nursing Home Care Unit and Support buildings are in the '2' to '3' range. Continued use or new use of each building will be individually determined as acceptable, based on the VA's *Capital Asset Index* (CAI) rating. Generally, Acute, Ambulatory, Inpatient Behavioral Health and Research buildings should be in the 3-5 range to allow continued use due to their highly technical nature. Administration, Domiciliary, Outpatient Behavioral Health, Nursing Home Care Unit and Support buildings may be in the high 2 to 3 range. There are 11 buildings that are noted as currently vacant.

Historic Considerations:

On the VA database all buildings built before 1950 are marked as 'historic', and this includes 42 buildings at West LA.

This campus also includes historic districts. The south portion of the Wadsworth Historic District includes the Governor's Mansion and grounds, which present a park-like setting adjacent to Wilshire Boulevard. The park-like setting of the two flanking historic districts constitutes an area named Veterans' Parkway.

The center has a major association (e.g., clinical teaching and research programs) with the UCLA School of Medicine.

There is a nine-hole golf course on the north end of the site that is in operation as a veterans program and is open to the public.

Current Land Agreements:

- Brentwood School – Land Use Agreement which is a 20-year Enhanced Sharing Agreement which expires June 2020
- American Red Cross – has a 50-year revocable license which expires April 2039
- Breitburn Energy – mineral rights lease which is a site revocable license
- Wadsworth Theater Management – 20-year Enhanced Sharing Agreement which expires December 2025
- Salvation Army (B 212) – 10-year Enhanced Sharing Agreement which expires July 2014
- Salvation Army (B 207) – 10-year Enhanced Sharing Agreement which expires April 2015
- New Directions (B 116) – 50-year Federal Lease which expires August 2045
- New Directions (B 257) – Memorandum of Agreement which expires August 2012
- Jackie Robinson Stadium – 10-Year Enhanced Sharing Agreement with UCLA for baseball games which expires April 2011

Major Infrastructure Issues:

The underground storm drainage system, in general, is undersized and does not provide adequate site coverage. During heavy rain, run-off becomes surface flow, causing flooding of the site and in selected buildings' basements.

Steam is generated in Building 295 and distributed throughout the site via piping located in concrete trenches with concrete service access plates. Both the steam and condensate distribution systems are in poor condition and have experienced leaks on numerous occasions. In addition, the pipe guides that support valves and piping insulation are in very poor condition.

Emergency power is provided to West LA facilities through a decentralized system.

- On the Wadsworth campus, primary systems consist of two 2,000 KVA generators in Building 501. These feed emergency power to Building 500 and ancillary buildings. The Building 500 system is not installed per industry standards with separate life safety, critical and emergency equipment branches of the "essential electrical systems."
- On the Brentwood campus, the main centralized standby system occurs in Building 12. This system feeds Buildings 212, 213, 214, 215, 217, and 218. Many other

single buildings on the Brentwood campus use “point of use” systems, specifically Buildings 205, 206, 207, 208, 209, 158, 258m, 256 and 257.

Cost Considerations

Most of the buildings on campus require major repairs and deferred maintenance including seismic and structural upgrades. Costs are to be determined in Stage II.

Summary of Current Services Provided

The West LA campus is a component of the VA Greater Los Angeles Healthcare System (GLA), among the largest integrated healthcare organization in the Department of Veterans Affairs with 945 operating and authorized beds, 3,500 employees, and an operating budget approaching \$500 million. West LA is a tertiary care facility within GLA, classified as a Clinical Referral Level 1 Facility, and is a teaching hospital, providing a full range of patient care services, with state-of-the-art technology as well as education and research. Comprehensive healthcare is provided through primary care, tertiary care, and nursing home in areas of medicine, surgery, psychiatry, physical medicine and rehabilitation, neurology, oncology, dentistry, geriatrics, and extended care. GLA is a part of VA Network 22, which includes facilities in Los Angeles, Long Beach, San Diego, Loma Linda, and Las Vegas, Nevada.

West LA strives for excellence in patient care, research, and education. Comprehensive healthcare is provided through primary care, tertiary care, and nursing home in areas of medicine, surgery, psychiatry, physical medicine and rehabilitation, neurology, oncology, dentistry, geriatrics and extended care, infectious disease, and radiology. In addition, West LA operates a 321 bed Domiciliary, which provides medical care in a therapeutic institutional environment, to prepare veterans for re-entry into a community setting. Approximately 95% of the patients residing in the domiciliary program would be homeless if not for the availability of this program. To complete the continuum of care, numerous geriatric services are offered. These programs are supported by two nursing home care units at the West Los Angeles Healthcare Center and one at the Sepulveda Ambulatory Care Center for a total of 352 authorized beds and 226 operating beds and an active community nursing home program.

Ambulatory care is conducted in comprehensive outpatient programs at the following settings: Ambulatory Care Centers at West Los Angeles, Sepulveda, downtown Los Angeles, Santa Barbara, and Bakersfield; Community Based Outpatient Clinics in Gardena, East Los Angeles, Antelope Valley, Lancaster, Lompoc, Pasadena, Oxnard, San Luis Obispo, Santa Paula, and Ventura; a satellite clinic at Patriotic Hall in downtown Los Angeles; and the Vietnam Veterans Outreach Program’s Readjustment Counseling services located in Culver City and Santa Barbara.

West LA contributes its resources to veterans in the western United States, especially Veterans Integrated Service Networks 21 and 22, with a Consolidated Laundry, Consolidated Mail-Out Pharmacy, Radiation Therapy, Central Dental Laboratory, Positron Emission Tomography Scanner, Prosthetics Treatment Center, Fast Neutron Beam Therapy, Behavioral Improvement Treatment Refractory programs, Substance Abuse programs, Hospice program, Open Heart

Surgery Referral Center, Regional Acute Psychiatric Treatment ward, and Department of Defense medical sharing agreements. Summary of Current Facility Condition

The West LA campus' structures are concentrated in three of the five focus areas: Historic Village, Revitalization area, and Medical Campus. The Brentwood Campus recreation area and the Wilshire View shed contain very few buildings.

Although these buildings range in size from a 144 square foot gatehouse to the 900,000 square foot Wadsworth Hospital, nearly half of the campus buildings are less than 10,000 square foot in size and one quarter are in the range of 45,000- 65,000 square foot. Only three buildings exceed three stories. As noted, eleven buildings are listed as vacant and fourteen more are used as staff housing or garage. The majority of buildings is considerably smaller than modern construction for most building types and may have limited opportunities for re-use based on the inefficiency of the small footprint and overall volume.

Fourteen buildings have been seismically evaluated as high risk or very high risk. In addition, there are thirteen non-exempt buildings that should be evaluated before renovation or re-use. Seismic retrofits, if feasible, are likely to add additional cost to renovation and re-use budgets.

The Historic Village of the Brentwood Campus includes many small narrow buildings, organized in traditional campus clusters. The Medical Campus of the Wadsworth Campus is typical of modern hospital buildings with the large footprints that support convenient adjacencies on each floor. The Revitalization Area to the west along Interstate 405 includes a mix of building sizes and ages reflecting its use for all types of service and "back of house" functions.

Figure 1: Site Map for West LA and Re-Use/Redevelopment Parcels



Real Estate Market Assessment

Los Angeles

Overview: Los Angeles is the largest population and economic center in Southern California. The local economy has expanded from its core in Los Angeles County to outlying Orange County to the south, Riverside and San Bernardino counties to the east, and Ventura County to the west.

Established in 1850, Los Angeles County encompasses approximately 4,083 square miles. The county consists of 87 incorporated cities that comprise 35 percent of the county. The remaining 65 percent is unincorporated.

Regional History: Defense related manufacturing facilitated rapid population and economic growth in Los Angeles prior to and during World War II. The economy matured and diversified with professional services and consumer goods production in a post war environment. Expansion and diversification continued until a substantial recession commenced in the early 1990's. Defense related manufacturing decreased 54 percent between 1987 and 1996.ⁱ

With renewed homeland security and defense spending after the events of September 11, 2001 and the commencing of military actions in Iraq and Afghanistan, the economy has begun to rebound. Employment in defense related industries in the Los Angeles area has consequently increased 24 percent above the 1996 statistic mentioned above.

Demographics: Currently Los Angeles County hosts a population of approximately 9,519,338 million people with much of the projected regional population growth occurring to the east in San Bernardino and Riverside counties.

BUSINESS PLAN OPTION DEVELOPMENT

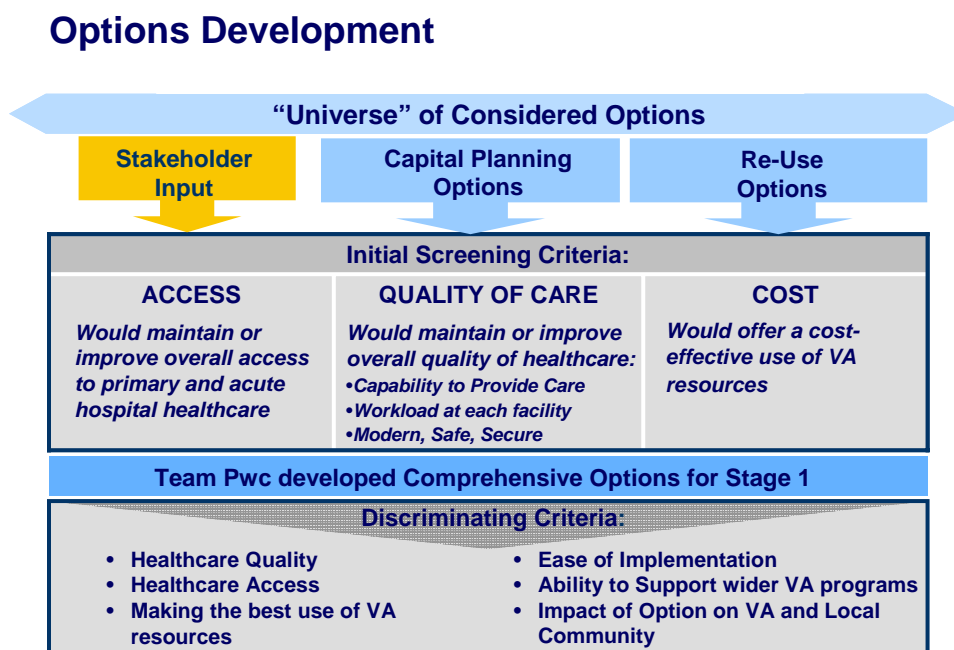
Option Development Process

Team PwC in collaboration with its re-use/redevelopment counterpart, MicroTech, LLC, developed a set of comprehensive BPOs to be considered for the West LA campus. A comprehensive BPO at West LA is defined as consisting of a single capital option (CP) and at least one re-use option (RU). Therefore, the formula for a comprehensive BPO would be:

$$\text{Comprehensive BPO} = \text{CP option} + \text{RU option}$$

A multi-step process was employed in the development and selection of these comprehensive BPOs to be further assessed. Initially, a broad range or “universe” of discrete and credible capital planning options and associated re-use options were developed by the teams. These options were tested against the agreed-upon initial screening criteria of access, quality, and cost. The capital and re-use options that passed the initial screenings were then further considered to be potential capital and re-use options to comprise a comprehensive BPO. All of the comprehensive BPOs were then further assessed at more detailed level according to set of discriminating criteria.

Figure 2: Options Development



Stakeholder Concerns

For the West LA CARES Study Site, 191 individual stakeholder responses were received between January 1st, 2005 and June 30th, 2005, including comment forms (paper and electronic), letters, written testimony, oral testimony, and other types of responses. The greatest amount of written and electronic input was received from veterans and veterans' family members.

Stakeholders who submitted written and electronic input indicated that their top two key concerns centered on maintaining the current services, facility and campus, and the effect of the CARES process on current functions and services. Stakeholders who contributed oral testimony at the Local Advisory Panel public meeting also indicated the same key concerns.

Table 1: Stakeholder Concerns

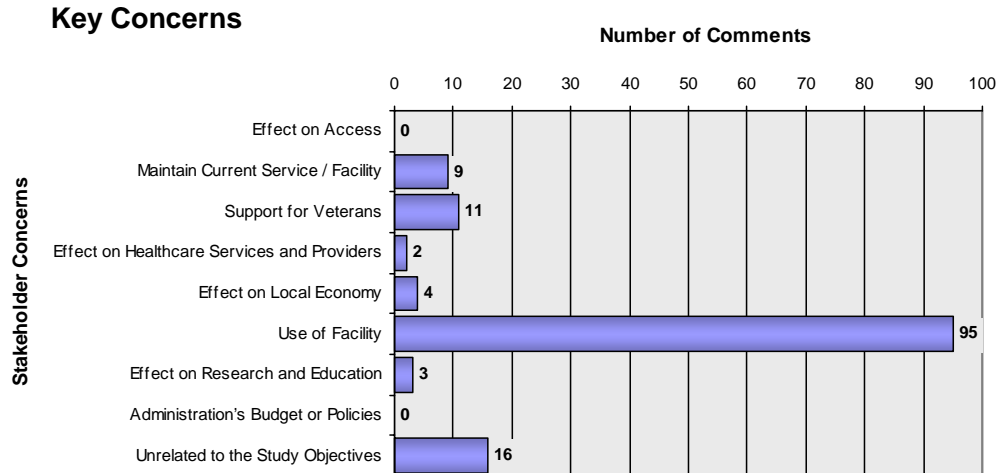
<i>Stakeholder Concern</i>	<i>Definition</i>
Effect on Access	Involves a concern about traveling to another facility or the location of the present facility.
Maintain Current Service/Facility	General comments related to keeping the facility open and maintaining services at the current site.
Support for Veterans	Concerns about the federal government/VA's obligation to provide health care to current and future veterans.
Effect on Healthcare Services & Providers	Concerns about changing services or providers at a site.
Effect on Local Economy	Concerns about loss of jobs or local economic effects of change.
Use of Facility	Concerns or suggestions related to the use of the land or facility.
Effect on Research & Education	Concerns about the impact a change would have on research or education programs at the facility.
Administration's Budget or Policies	Concerns about the effects of the administration's budget or other policies on health care for veterans.
Unrelated to the Study Objectives	Other comments or concerns that are not specifically related to the study.

Figures 3 and 4: Key Concerns and Oral Testimony Key Concerns

VA CARES BUSINESS PLAN STUDIES
STAKEHOLDER INPUT ANALYSIS REPORT
West LA Study Site

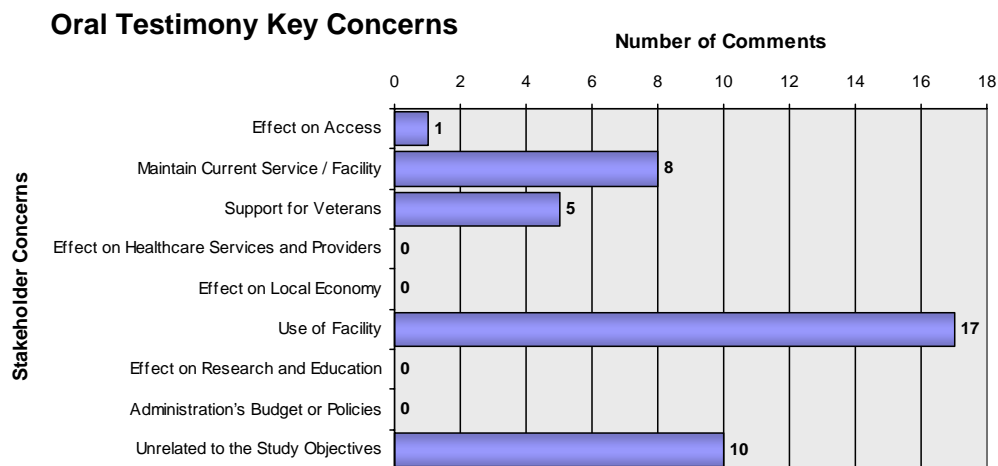
**Analysis of Written and Electronic Inputs
(Written and Electronic Only):**

The breakout of "Key Stakeholder Concerns" regarding the West LA study site is as follows*:



**Analysis of Oral Testimony Input Only
(Oral Testimony at LAP Meeting):**

The breakout of "Key Stakeholder Concerns" that were expressed during Oral Testimony for the West LA study site is as follows*:



* Note that totals reflect the number of times a "key concern" was raised by a stakeholder. If one stakeholder addressed multiple "key concerns", each concern is included in the totals.

COMPREHENSIVE BUSINESS PLANNING OPTIONS

Stakeholder Input to Business Planning Options

Considerable input was received from stakeholders in response to the CARES process for the West LA site, including selected proposals. All proposals were considered by the contractor in the development of capital planning and re-use options, and in the development of Business Planning Options (BPOs), and integrated into the process so long as the proposals responded and/or complied with the Secretary's Decision and clarifying direction received subsequent to the May 2005 Local Advisory Panel meeting for this site.

Proposals that were received and have been considered include: recreational services for families, accommodating veterans; bio-medical institute; transitional/residential therapy programs; affordable veteran housing/lockers; other recreational programs/services; community education programs; and veteran memorial park.

Summary of Options for West LA

The following provides a summary of the BPOs that were developed for the West LA site.

- Baseline BPO (described in the section immediately following);
- Three BPOs involve renovating or building a new facility for acute inpatient and/or ambulatory care, along with renovating existing nursing home/mental healthcare facilities;
- Four BPOs involve specific /redevelopment of unencumbered portions of the campus for various re-use, such as institutional learning, affordable housing, medical research, medical offices, open space/'greenbelt' and/or recreation.

Baseline Option

The Baseline is the Business Plan Option under which there would not be significant changes in either the location or type of services provided in the study site. In the Baseline BPO (BPO 1), the forecasted long-term healthcare demand forecasts and trends, as indicated by the demand forecasted for 2023, are applied to the current healthcare provision solution for the study site.

Specifically, the Baseline BPO is characterized by the following:

- Healthcare continues to be provided as currently delivered, except to the extent healthcare volumes for particular procedures fall below key quality or cost effectiveness threshold levels.
- Capital planning costs allow for current facilities to receive such investment as is required to rectify any material deficiencies (e.g. in safety or security) such that they would provide a safe, modern and secure healthcare delivery environment as required in the Secretary's Decision.

- Life Cycle capital planning costs allow for on-going preventative maintenance and life-cycle maintenance of major and minor building elements.
- Re-use plans use such vacant space in buildings and/or vacant land or buildings as emerge as a result of the changes in demand for services and the facilities in which they sit; remaining vacant buildings are maintained and secured.

Therefore, the Baseline would retain all clinical care services currently provided at West LA.

Options Not Selected for Assessment

The following capital planning and re-use options were also considered, but were not selected for assessment as a component of a comprehensive BPO (refer to *Figure 1: Site Map for West LA and Re-Use/Redevelopment Parcels* in this Summary).

Table 2: Options Not Selected for Assessment

Label	Description	Screening Results
Full Replacement	BPOs which called for the complete replacement of all facilities providing care to veterans on the campus.	BPOs were rejected as they do not comply with the Secretary's decision to 'proceed with maintenance and life safety projects on nursing home facilities that are necessary to ensure quality and safety of patient care'.
Redevelop/Re-use Parcels K, I, H1, H2, H3, J	BPOs that redevelop/re-use Parcels K, I, H1, H2, H3, and J for non-VA re-use	BPOs were rejected because the majority of the West LA's south (Wadsworth) campus is preserved for the consolidation of VA acute clinical care programs. These programs need to be more convenient to the existing acute care hospital and ambulatory care services currently on Parcel K. Parcel H2 may be encumbered by its historic designation and/or Parcel H3 is limited in re-use by the Cranston Act.
Re-use Parcel D	BPOs that redeveloped/re-used Parcel D;	BPOs were rejected as this site has been preserved for the California Department of Veterans Affairs State Veterans Home (SVH) project, corresponding with the Secretary's clarification notice.
Re-use for commercial purposed	BPOs that redeveloped/re-used the West LA campus for 'commercial' purposes	BPOs were rejected as they did not comply with the clarification notice from the Secretary on redevelopment/re-use of the West LA campus.

Comprehensive BPOs to Be Assessed in Stage I

The comprehensive BPOs incorporate capital and re-use option components as previously described. The combinations of capital and re-use options were formulated in order to determine the most appropriate options for the site. They will be more thoroughly assessed according to the discriminating criteria in the subsequent sections. The following describes each of the BPOs and professional judgment that supports the construction of the BPOs.

Table 3: Comprehensive BPOs to be Assessed in Stage I

BPO Designation	Label	Description	Support for BPO Selection
BPO 1 Comprising: CP-1	Baseline	<p>Current state workload projected out to 2023 without any changes to facilities or programs, but accounting for projected utilization changes, and assuming same or better quality, and necessary maintenance for a safe, secure, and modern healthcare.</p> <p>Vacant buildings are to be maintained with no additional renovation, yet are to be secured to ensure that they pose no danger to veterans, patients, employees and visitors.</p> <p>Current agreements are to be maintained (i.e., EULs, sharing agreements, including accommodation of the CA State Veterans Home, currently under development).</p>	<ul style="list-style-type: none"> • CP-1 represents the least level of change to current service provision. All existing services remain on campus, in consolidated facilities for which appropriate investments to render them modern, safe and secure are implemented. • Supported by most veteran stakeholders. • Costs required include heavy renovation for the services being provided, but no new construction is anticipated.
BPO 2 Comprising: CP-2A RU-2, 5, 13	Renovate Existing Hospital and Ambulatory Care facilities; Renovate Existing Nursing Home/Mental Health/Domiciliary Care facilities	<p>Consolidate projected acute inpatient workload in renovated hospital and consolidate projected ambulatory acute workload in renovated Ambulatory Care facilities on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus (Parcel K) and construct new columbarium for NCA on Wadsworth campus (Parcel B1). Construct new CA State Veterans Home on Brentwood campus (Parcel D).</p> <p>All remaining portions of the Wadsworth and Brentwood campus available for re-use/redevelopment (see BPOs 5-8).</p>	<ul style="list-style-type: none"> • Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. • Upgrades and renovates some of the aging and inefficient facilities. • Permits consideration of re-use/redevelopment of Parcels A, B2, C, E, F, G1-2, H1, I, and portions of J and K. • The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus.

BPO Designation	Label	Description	Support for BPO Selection
BPO 3 Comprising: CP-2B/ RU-2, 5, 13	New Acute Care Bed Tower & Renovate Ambulatory Care facilities; Renovate Existing Nursing Home/Mental Health/Domiciliary Care facilities	<p>Consolidate projected inpatient acute care workload in a replacement bed tower on Wadsworth campus. Consolidate projected ambulatory acute workload in renovated Ambulatory Care facilities (including within existing hospital) on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in new and renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus and (Parcel K) and construct new columbarium for NCA on Wadsworth campus (Parcel B1). Construct new CA State Veterans Home on Brentwood campus (Parcel D).</p> <p>All remaining portions of the Wadsworth and Brentwood campuses available for re-use/redevelopment (see BPOs 5-8).</p>	<ul style="list-style-type: none"> • Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. • Creates new acute care patient bed tower with enhanced operating efficiencies; ambulatory care is relocated in renovated, higher-standard inpatient facilities. • Upgrades and renovates some of the aging and inefficient facilities (safe, modern and secure – yet in existing structures). • Permits consideration of re-use/ redevelopment of Parcels A, B2, C, E, F, G1-2, H1, I, and portions of J and K. • The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus.
BPO 4 Comprising: CP-2C/ RU-2, 5, 13	New Acute Care Bed Tower & Ambulatory Care; Renovate Existing Nursing Home/Mental Health/Domiciliary Care	<p>Consolidate projected inpatient acute workload in a replacement hospital (comprised of inpatient acute care beds), and consolidate projected ambulatory acute workload in replacement Ambulatory Care facilities (including within existing hospital) on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in new and renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus (Parcel K) and construct new</p>	<ul style="list-style-type: none"> • Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. • Creates new acute care patient bed tower and new ambulatory care facilities providing considerably enhanced operating efficiencies over current and Baseline conditions. • Upgrades and renovates some of the aging and inefficient facilities for other patient care services/functions (safe, modern and secure – yet in existing structures). • Permits consideration of re-use/ redevelopment of Parcels A, B2, C, E, F, G1-2, H1, I, and portions of J and K.

BPO Designation	Label	Description	Support for BPO Selection
		<p>columbarium for NCA on Brentwood campus (Parcel B1). Construct new CA State Veterans Home on Brentwood campus (Parcel D).</p> <p>All remaining portions of the Wadsworth and Brentwood campuses available for re-use/redevelopment (see BPOs 5-8).</p>	<ul style="list-style-type: none"> The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus.
Selected Re-Use BPOs <ul style="list-style-type: none"> The contractor determined additional possible re-use opportunities that may be coupled with previously identified Capital Planning Options to create a number of additional BPOs; Feasible Re-Use Options (as identified by Parcel or group of Parcels) were compiled; For illustrative purposes, Re-Use Options were coupled with the Capital Planning Option provided in BPO 3 and are provided below in BPO 5-8; <i>All Capital Planning Options can be accommodated with ALL of the following Re-Use Options as provided below in BPO 5-8.</i> 			
BPO 5 Comprising: CP-2B/ RU-1, 2, 5, 13	New Acute Care Bed Tower & Renovate Ambulatory Care facilities; Renovate Existing Nursing Home/Mental Health/Domiciliary Care facilities; Redevelop Parcel A	<p>Assume conditions of Capital Planning option 2B (CP-2B), and include:</p> <p>Consolidate projected inpatient acute workload in a replacement hospital, and consolidate projected ambulatory workload in renovated Ambulatory Care facilities (including within existing hospital) on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in new and renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus and construct new columbarium for NCA on Wadsworth campus. Construct new CA State Veterans Home on Brentwood campus.</p>	<ul style="list-style-type: none"> Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. Creates new acute care patient bed tower with enhanced operating efficiencies; ambulatory care is relocated in renovated, higher-standard inpatient facilities. Upgrades and renovates some of the aging and inefficient facilities (safe, modern and secure – yet in existing structures). Permits consideration of re-use/ redevelopment of Parcels A as well as B2, C, E, F, G1-2, H1, I, and portions of J and K. The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus. Responds to stakeholder concerns of non-

BPO Designation	Label	Description	Support for BPO Selection
		<p>Redevelop/re-use northern section of Brentwood campus (Parcel A) for use as community and/or institutional education recreation facilities.</p> <p>Consider balance of existing parcel (existing golf course) for enhanced/expansion of recreation/open space; expand greenbelt of Brentwood campus north of VA Historic District A. Also, opportunity for limited mixed use residential in new construction.</p>	<p>commercial re-use/redevelopment of campus, potentially enhancing existing non-VA relationships/agreements.</p>
<p>BPO 6</p> <p>Comprising: CP-2B/ RU-2, 4, 5, 6, 13</p>	<p>New Acute Care Bed Tower & Renovate Ambulatory Care facilities; Renovate Existing Nursing Home/Mental Health/Domiciliary Care facilities; Redevelop Parcels C and E</p>	<p>Assume conditions of Capital Planning option 2B (CP-2B), and include:</p> <p>Consolidate projected inpatient acute workload in a replacement hospital, and consolidate projected ambulatory workload in renovated Ambulatory Care facilities (including within existing hospital) on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in new and renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus and construct new columbarium for NCA on Wadsworth campus. Construct new CA State Veterans Home on Brentwood campus.</p> <p>Redevelop Parcels C and/or E for affordable/transitional veteran, and/or nursing housing in existing and new construction (ranging in 50,000-150,000 GSF). Housing may be used for drug/alcohol treatment programs.</p> <p>Also, consider limited hospitality (VA's Fisher House concept) and/or administrative</p>	<ul style="list-style-type: none"> • Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. Creates new acute care patient bed tower with enhanced operating efficiencies; ambulatory care is relocated in renovated, higher-standard inpatient facilities. • Upgrades and renovates some of the aging and inefficient facilities (safe, modern and secure – yet in existing structures). • Permits consideration of re-use/redevelopment of Parcels C and E, as well as Parcels A, B2, F, G1-2, H1, I, and portions of J and K. • The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus. • Responds to stakeholder concerns of non-commercial re-use/redevelopment of campus, potentially enhancing existing non-VA relationships/agreements.

BPO Designation	Label	Description	Support for BPO Selection
		support/training facilities.	
BPO 7 Comprising: CP-2B/ RU-2, 5, 8, 12, 13	New Acute Care Bed Tower & Renovate Ambulatory Care facilities; Renovate Existing Nursing Home/Mental Health/Domiciliary Care facilities; Redevelop Parcels G1&2, J and K	<p>Assume conditions of Capital Planning option 2B (CP-2B), and include:</p> <p>Consolidate projected inpatient acute workload in a replacement hospital, and consolidate projected ambulatory workload in renovated Ambulatory Care facilities (including within existing hospital) on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in new and renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus and construct new columbarium for NCA on Wadsworth campus. Construct new CA State Veterans Home on Brentwood campus.</p> <p>Redevelop Parcels G1 and G2, and portions of J and/or K for medical research institute, comprised of approximately renovated existing structures/new phased construction on approximately 20-30 acres.</p> <p>Alternative re-use/redevelopment to also include new medical office building for VA-affiliated physicians/specialists, comprised of 4-5 stories in 60,000 GSF, including small retail (patient pharmacy) on ground floor. Small, limited-use hospitality (Fisher House) and a new veterans-only kitchen are also considerations for re-use/redevelopment of these parcels.</p>	<ul style="list-style-type: none"> • Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. Creates new acute care patient bed tower with enhanced operating efficiencies; ambulatory care is relocated in renovated, higher-standard inpatient facilities. • Upgrades and renovates some of the aging and inefficient facilities (safe, modern and secure – yet in existing structures). • Permits consideration of re-use/redevelopment of Parcels G1, G2, and portions of J and K, as well as Parcels A, B2, F, H1 and I. • The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus. • Responds to stakeholder concerns of non-commercial re-use/redevelopment of campus, potentially enhancing existing non-VA relationships/agreements.

BPO Designation	Label	Description	Support for BPO Selection
BPO 8 Comprising: CP-2B/ RU-2, 5, 7, 13	New Acute Care Bed Tower & Renovate Ambulatory Care facilities; Renovate Existing Nursing Home/Mental Health/Domiciliary Care facilities; Redevelop Parcel F	<p>Assume conditions of Capital Planning option 2B (CP-2B), and include:</p> <p>Consolidate projected inpatient acute workload in a replacement hospital, and consolidate projected ambulatory workload in renovated Ambulatory Care facilities (including within existing hospital) on Wadsworth campus (Building 500). Consolidate specialty care (SCI/D) on Wadsworth campus in new and renovated facilities. Consolidate projected nursing home and psychiatric care programs in facilities on Brentwood campus (Buildings 214, 217).</p> <p>Construct new VBA facility on Wadsworth campus and construct new columbarium for NCA on Wadsworth campus. Construct new CA State Veterans Home on Brentwood campus.</p> <p>Redevelop Parcel F for community education/recreation, mixed use residential in limited new construction, and/or open space/greenbelt, adjacent to San Vicente /Wilshire Boulevards intersection.</p>	<ul style="list-style-type: none"> • Meets stakeholder concerns by keeping all services on current grounds and provides improved facilities for outpatient services and acute care. Creates new acute care patient bed tower with enhanced operating efficiencies; ambulatory care is relocated in renovated, higher-standard inpatient facilities. • Upgrades and renovates some of the aging and inefficient facilities (safe, modern and secure – yet in existing structures). • Permits consideration of re-use/ redevelopment of Parcel F, as well as Parcels A, B2, C, E, G1-2, H1, I, J and portion of K. • The consolidation into a smaller cluster of buildings enhances continuity of care through co-location of like services, both acute on Wadsworth campus and specialty care on Brentwood campus. • Responds to stakeholder concerns of non-commercial re-use/redevelopment of campus, potentially enhancing existing non-VA relationships/agreements.

ASSESSMENT SUMMARY

Table 4: Assessment Summary

Assessment Summary	BPO 2	BPO 3	BPO 4	Re-Use Opportunities			
				BPO 5	BPO 6	BPO 7	BPO 8
Healthcare Access	↔	↔	↔	↔	↔	↔	↔
Healthcare Quality							
Modern, safe, and secure environment	↑	↑	↑	↑	↑	↑	↑
Meets forecasted need	↑	↑	↑	↑	↑	↑	↑
Cost Effectiveness							
Operating cost effectiveness	-	-	-	-	-	-	-
Level of capital expenditure anticipated	-	-	-	-	-	-	-
Level of re-use proceeds	↑↑↑	↑↑↑	↑↑↑	↑↑↑	↑↑↑	↑↑↑	-
Cost avoidance opportunities	-	-	-	-	-	-	-
Overall cost effectiveness	-	-	-	-	-	-	-
Ease of Implementation							
Riskiness of BPO implementation	↑	↔	↓	↔	↔	↓	↔
Wider VA Program Support							
DoD sharing	↔	↔	↔	↔	↔	↔	↔
One-VA Integration	↔	↔	↔	↔	↔	↔	↔
Special Considerations	↔	↔	↔	↔	↔	↔	↔

Evaluation System for BPOs

The evaluation system below is used to compare BPOs to Baseline BPO.

Table 5: Evaluation System for BPOs

Rating for all categories except cost and overall evaluation	
↑	The BPO has the potential to provide a slightly improved state than the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc)
↔	The BPO has the potential to provide materially the state as the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc)
↓	The BPO has the potential to provide a slightly lower or reduced state than the Baseline BPO for the specific discriminating criteria (e.g. access, quality, etc).
Operating cost effectiveness (based on results of initial healthcare/operating costs)	
↑↑↑↑	The BPO has the potential to provide significant recurring operating cost savings compared to the Baseline BPO (>15%)
↑↑↑	The BPO has the potential to provide significant recurring operating cost savings compared to the Baseline BPO (>10%)
↑↑	The BPO has the potential to provide some recurring operating cost savings compared to the Baseline BPO (5%)
↑	The BPO has the potential to provide some recurring operating cost savings compared to the Baseline BPO (5%)
-	The BPO has the potential to require materially the same operating costs as the Baseline BPO (+/- 5%)
↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>5%)
↓↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>10%)
↓↓↓	The BPO has the potential to require slightly higher operating costs than the Baseline BPO (>15%)
Level of capital expenditure anticipated (based on results of initial capital planning costs)	
↓↓↓↓↓	Very significant investment required relative to the Baseline BPO (≥ 200%)
↓↓↓	Significant investment required relative to the Baseline BPO (121% to 199%)
-	Similar level of investment required relative to the Baseline BPO (80% to 120% of Baseline)
↑↑	Reduced level of investment required relative to the Baseline BPO (40%-80%)
↑↑↑↑↑	Almost no investment required (≤ 39%)
Level of Re-use proceeds relative to Baseline BPO (based on results of initial Re-use study)	
↓↓↓	High demolition/clean-up costs, with little return anticipated from Re-use
-	No material Re-use proceeds available
↑	Similar level of Re-use proceeds compared to Baseline (+/- 20% of Baseline)
↑↑	Higher level of Re-use proceeds compared to Baseline (e.g. 1-2 times)
↑↑↑↑	Significantly higher level of Re-use proceeds compared to Baseline (e.g. 2 or more times)

Cost avoidance (based on comparison to Baseline BPO)	
-	No cost avoidance opportunity
↑↑	Significant savings in necessary capital investment in the Baseline BPO
↑↑↑↑	Very significant savings in essential capital investment in the Baseline BPO
Overall Cost effectiveness (based on initial NPC calculations)	
↓↓↓↓	Very significantly higher Net Present Cost relative to the Baseline BPO (>1.15 times)
↓↓↓	Significantly higher Net Present Cost relative to the Baseline BPO (1.10 – 1.15 times)
↓	Higher Net Present Cost relative to the Baseline BPO (1.05 – 1.09 times)
-	Similar level of Net Present Cost compared to the baseline (+/- 5% of Baseline)
↑	Lower Net Present Cost relative to the baseline (90-95% of Baseline)
↑↑	Significantly lower Net Present Cost relative to the Baseline BPO (85-90% of Baseline)
↑↑↑↑	Very significantly lower Net Present Cost relative to the Baseline BPO (<85% of Baseline)

Acronyms

AMB	Ambulatory
BPO	Business Plan Option
CBOC	Community Based Outpatient Clinic
CIC	CARES Implementation Category
DoD	Department of Defense
IP	Inpatient
LAP	Local Advisory Panel
OP	Outpatient
MH	Mental Health
VA	Department of Veterans Affairs
VACO	VA Central Office
VAMC	Veterans Affairs Medical Center
VISN	Veterans Integrated Service Network

Definitions

CARES (Capital Asset Realignment for Enhanced Services) – a planning process that evaluates future demand for veterans’ healthcare services against current supply and realigns VHA capital assets in a way that results in more accessible, high quality healthcare for veterans.

ⁱ According to the California Economic Development Department labor market statistics, combined employment in Aircraft and Parts (SIC Code 372) and Missiles, Spacecraft, and Parts (SIC Code 376) declined from a peak of 143,700 workers in 1987 to 66,000 workers in 1996, a 54 percent decline.